

**MEETING MINUTES**  
Finance Committee  
Monday, March 28, 2011

**CALL TO ORDER**

Time – 7:00 P.M.

Members in attendance: Chairman Joanne F. Marden, Mary O'Donoghue, Cindy Milne, Mark Merritt, Richard T. Howe, Paul Fortier, Jon Stumpf, Peggy Kruse and Greg Rigby.

Also present: Finance Director Tony Torrisi

**BUDGET DISCUSSIONS**

Jon Stumpf summarized a meeting held earlier in the day with representatives from the School Committee, Board of Selectmen and Finance Committee. The following issues were discussed at that meeting:

- Deficit reduced to \$941,000.00
- Circuit Breaker uncertainties and risks including Evaluation & Therapy, retirements, SPED Out of District transportation and High School scheduling.
- Free Cash reduced to dangerously low level of \$500,000.

**WARRANT ARTICLE VOTES**

Article 8 – Free Cash

Dick Howe moved and Mary O'Donoghue seconded to recommend approval. The motion passed unanimously 9-0.

Article 22 – Long-term Renewable Electricity Contracts

Prior to voting the Committee discussed whether or not the Town should consider entering into long term commitments. It was noted that approval of this article would only allow the Town to move forward with the RFP process and not actually enter into any agreements. Dick Howe moved and Mary O'Donoghue seconded to recommend approval. The motion passed 8-1.

At 7:35 P.M. the Finance Committee adjourned to join the Board of Selectmen Meeting in the 3<sup>rd</sup> Floor Selectmen's Conference Room.

At 9:30 P.M. the Finance Committee reconvened their meeting and took positions on the following warrant articles:

Mr. Howe left the meeting prior to reconvening.

#### Article 4 Town Meeting – FY2012 Operating Budget

Cindy Milne moved and Paul Fortier seconded to recommend approval of School Department Budget line items 15 & 16 in the amount of \$62,784,577 as recommended by the Town Manager from available funds. The motion passed 7-0-1.

Chairman Marden suggested that at Town Meeting, the Committee present credible reductions to the School Budget without making cuts to programs. Discussion followed on possible ways to reduce the School Budget including SPED Transportation, Evaluation & Therapy and retirements.

Mark Merritt moved and Greg Rigby seconded to recommend approval of Town Department line items 1 through 14 in the amount of \$33,271,184.00. There was a lengthy discussion on the Compensation Fund and equality between Town and School Departments regarding COLA's. It was explained that the mechanisms for appropriating COLA's within School and Town Budgets differ including restrictions Town Departments must follow. The motion passed unanimously 8-0.

Mary O'Donoghue moved and Mark Merritt seconded to recommend approval of Water & Sewer Budget line items 17 through 20 for a total of \$6,059,188.00. The motion passed unanimously 8-0.

Mary O'Donoghue moved and Greg Rigby seconded to recommend approval of Obligations Budget line items 21 through 26 in the amount of \$32,758,875.00. The motion passed unanimously 8-0.

#### **TRANSFER REQUEST VOTES**

##### Transfer Request 2011-2

Mary O'Donoghue moved and Greg Rigby seconded to recommend approval of Transfer Request 2011-2 in the amount of \$1,864.00 to be transferred to General Government-Personal Services for costs incurred during the December 6, 2010 Special Town Meeting. The motion passed unanimously 8-0.

##### Transfer Request 2011-3

Mary O'Donoghue moved and Cindy Milne seconded to recommend approval of Transfer Request 2011-3 in the amount of \$5,685.81 to be transferred to General Government-Other Expenses for costs incurred during the December 6, 2010 Special Town Meeting. The motion passed unanimously 8-0.

##### Transfer Request 2011-4

Jon Stumpf moved and Mark Merritt seconded to recommend approval of Transfer Request 2011-4 in the amount of \$8,547.00 to be transferred to General Government-Personal Services for costs incurred during the January 25, 2011 Special Election. The motion passed unanimously 8-0.

Transfer Request 2011-5

Jon Stumpf moved and Mark Merritt seconded to recommend approval of Transfer Request 2011-5 as amended in the amount of \$6,088.00 to be transferred to General Government-Other Expenses for costs incurred during the January 25, 2011 Special Election. The motion passed unanimously 8-0.

Transfer Request 2011-6

Mary O'Donoghue moved and Cindy Milne seconded to recommend approval of Transfer Request 2011-6 in the amount of \$23,412.00 to be transferred to Public Safety-Other Expenses for a local 10% match for FEMA grant. The motion passed unanimously 8-0.

**ADJOURNMENT – 10:15 P.M.**

Respectfully Submitted,  
*Carolyn Lynch*  
Recording Secretary

**ARTICLE 4 TOWN MEETING - FY2012**  
**OPERATING BUDGET**

3/28/11

LINE ITEM	DEPARTMENT	EXPENDED FY2009	EXPENDED FY2010	BUDGET FY2011	FY2012
1	PUBLIC SAFETY				
1	PERSONAL SERVICES	13,162,667	12,694,557	12,854,082	12,956,728
2	OTHER EXPENSES	<u>1,089,023</u>	<u>1,504,367</u>	<u>1,295,910</u>	<u>1,305,360</u>
	TOTAL	14,251,690	14,198,924	14,149,992	14,262,088
Includes \$287,264 - parking receipts, \$70,000 - detail fees, and \$1,000,000 - ambulance collections					
	GENERAL GOVERNMENT & COMMUNITY DEVELOPMENT (inc Town/School IT consolidation)				
3	PERSONAL SERVICES	3,837,266	4,093,513	4,237,482	5,370,989
4	OTHER EXPENSES	<u>1,426,276</u>	<u>1,303,662</u>	<u>1,395,358</u>	<u>1,540,301</u>
	TOTAL	5,263,542	5,397,175	5,632,840	6,911,290
Includes \$24,000 in receipts from wetland filing fees and \$54,088 water/sewer reserves.					
5	PUBLIC WORKS				
5	PERSONAL SERVICES	1,801,973	1,642,763	1,628,398	1,663,249
6	OTHER EXPENSES	<u>4,214,599</u>	<u>3,409,293</u>	<u>3,582,800</u>	<u>3,682,302</u>
	TOTAL	6,016,572	5,052,056	5,211,198	5,345,551
7	PLANT AND FACILITIES				
7	PERSONAL SERVICES	3,058,058	2,999,725	3,079,484	3,110,159
8	OTHER EXPENSES	<u>1,316,270</u>	<u>1,241,159</u>	<u>1,361,941</u>	<u>1,342,341</u>
	TOTAL	4,374,328	4,240,884	4,441,425	4,452,500
Includes \$68,475 in rental receipts; \$60,000 cemetery revenue					
9	LIBRARY				
9	PERSONAL SERVICES	2,038,327	1,947,645	2,018,773	1,833,122
10	OTHER EXPENSES	<u>570,155</u>	<u>547,121</u>	<u>576,400</u>	<u>593,900</u>
	TOTAL	2,608,482	2,494,766	2,595,173	2,427,022
11	COMMUNITY / YOUTH/ ELDER SERVICES				
11	PERSONAL SERVICES	1,289,985	1,182,174	1,220,987	1,216,381
12	OTHER EXPENSES	<u>418,688</u>	<u>438,183</u>	<u>437,619</u>	<u>444,479</u>
	TOTAL	1,708,673	1,620,357	1,658,606	1,660,860
Includes \$550,000 and \$55,000 in user fees and \$69,300 in grants					
13	UNCLASSIFIED				
13	COMPENSATION FUND	inc above	0	0	250,000
14	RESERVE FUND	inc above	inc above	<u>200,000</u>	<u>200,000</u>
	TOTAL			200,000	450,000
	TOWN DEPTS				
	PERSONAL SERVICES	25,188,276	24,560,377	25,039,206	26,400,628
	OTHER EXPENSES	9,035,011	8,443,785	8,850,028	9,108,683
	less budgeted Revenues	<u>(2,094,507)</u>	<u>(2,058,984)</u>	<u>(2,144,364)</u>	<u>(2,238,127)</u>
	NET TOTAL	32,128,780	30,945,178	31,744,870	33,271,184
Detail of Available Funds for FY2012					
Town FY2011 Budget				31,744,870	
available increase				<u>768,226</u>	
Town Base FY2012				32,513,096	
plus School IT budget transferred to Town				<u>758,088</u>	
FY2012 Budget based on available funds				33,271,184	
Amount Out of Balance				0	

# ARTICLE 4 TOWN MEETING - FY2012

3/28/11

## OPERATING BUDGET

LINE ITEM	DEPARTMENT	EXPENDED FY2009	EXPENDED FY2010	BUDGET FY2011	SCH. 3/23 FY2012
	ANDOVER SCHOOL DEPT				
15	PERSONAL SERVICES	47,647,693	47,646,908	48,629,563	49,163,234
16	OTHER EXPENSES	<u>11,358,226</u>	<u>12,300,848</u>	<u>13,258,858</u>	<u>14,562,665</u>
	TOTAL	59,005,919	59,947,756	61,888,421	63,725,899
Detail of Available Funds for FY2012					
	School FY2011 Budget			61,888,421	
	Available increase			<u>1,497,700</u>	
	School Base FY2012			63,386,121	
	less School IT budget transferred to Town			(758,088)	
	FY2012 Budget based on available funds			62,628,033	
	Additional amount to help deficit			156,544	
	Amount Out of Balance			-941,322	

LINE ITEM	DEPARTMENT	EXPENDED FY2009	EXPENDED FY2010	BUDGET FY2011	BUDGET FY2012
	SEWER				
17	PERSONAL SERVICES	366,354	382,104	437,503	416,740
18	OTHER EXPENSES	<u>1,929,802</u>	<u>1,793,650</u>	<u>1,995,244</u>	<u>2,122,500</u>
	TOTAL	2,296,156	2,175,754	2,432,747	2,539,240
Includes \$360,000 in sewer reserves					
	WATER				
19	PERSONAL SERVICES	1,814,165	1,661,146	1,700,053	1,591,548
20	OTHER EXPENSES	<u>2,557,057</u>	<u>1,785,070</u>	<u>2,176,400</u>	<u>2,288,400</u>
	TOTAL	4,371,222	3,446,216	3,876,453	3,879,948
	SEWER and WATER TOTAL	6,667,378	5,621,970	6,309,200	6,419,188
	less budgeted Revenues	<u>(569,562)</u>		-	<u>(360,000)</u>
	NET TOTAL	6,097,816		6,309,200	6,059,188
	OBLIGATIONS				
21	GR LAW TECH HS	361,223	494,915	484,924	444,503
22	DEBT SERVICE	13,200,921	13,107,947	12,002,493	12,112,692
23	GENERAL INSURANCE	567,722	485,701	640,500	661,613
24	UNEMPLOYMENT COMP.	100,000	150,000	204,000	100,000
25	RETIREMENT FUND	4,510,979	4,635,498	4,712,555	5,085,067
26	HEALTH INSURANCE FUND	<u>11,576,009</u>	<u>12,618,000</u>	<u>13,362,241</u>	<u>14,355,000</u>
	TOTAL	30,316,854	31,492,061	31,406,713	32,758,875
	FIXED TOTAL	30,316,854	31,492,061	31,406,713	32,758,875
	less budgeted Revenues	-	-	-	-
	NET TOTAL	30,316,854	31,492,061	31,406,713	32,758,875
GRAND TOTAL					
	GRAND TOTAL	130,213,438	130,065,949	133,493,568	138,413,273
	less budgeted Revenues	<u>(2,664,069)</u>	<u>(2,215,226)</u>	<u>(2,144,364)</u>	<u>(2,598,127)</u>
	NET TOTAL	127,549,369	127,850,723	131,349,204	135,815,146